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COAL INDUSTRY NEWS

Coal's National Newspaper

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Massey Terminal Prepares for 1983 Opening

A.T. MASSEY'S new coal terminal nears completion at Newport News, Va. Loading should begin sometime next year, though spokesmen remain uncertain about the completion timetable. The facility will be joined by that of a five-company consortium which will spend $135 million for a 15 million ton-per year terminal in the same vicinity. A focus on port terminal progress begins on page 5.

NEWS ROUNDUP

The Burlington Northern railroad is so well established and so near potential utility sites that the Missouri Pacific and Union Pacific cannot cut it out of the coal business, the Interstate Commerce Commission ruled in approving the last two railroads' merger. B.N.'s strategy included championing the interests of the utilities, which it claimed would be forced to deal with a monopolistic railroad capable of setting profit-maximizing coal rates that the utilities along the route were in no position to combat. **The ICC found the argument "unpersuasive"** because none of the supposedly maligned utilities either protested the merger or filed evidence to support the weak protests they did offer.

* * *

Energy Secretary-designate **Donald Hodel said he will immediately try to repair the tattered morale and effectiveness** of a Department of Energy staff grown fearful over the last two years that their jobs would be abolished along with the agency. Hodel emphasized that "dismantlement" is no longer a goal of the Reagan administration, but subsuming DOE under the Commerce Department still is. Hodel also said he has no present plans to cut DOE programs.

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Mobil Oil Corp. and Nissho Iwai Corp., a leading Tokyo general trading company, plan to form a joint venture to **explore and develop Indonesian coal.**

(Continued on page 2)

N.Y. Botanical Unit Sees Ozone, Not Acid Rain, as Pollutant Culprit

By Gene Smith

STONE RIDGE, N.Y. — Ozone, not acid rain, is the primary pollutant source on trees in the Hudson River Valley, asserted the director of New York Botanical Gardens' Institute of Urban Horticulture at a day-long seminar here.

Dr. David Karnosky said that "in field observations over the past five years — mostly in the growing season — we have seen only evidence of ozone effects. We have not yet seen any evidence of the effects of acid rain." He added that the trees had been located at two sites in New York City, one at Carey Arboretum some 60 miles up the Hudson at Milbrook, N.Y., and at New Brunswick, N.J.

Later, Karnosky told *Coal Industry News* that earlier tests had shown "ozone stipple on some sensitive trees, but no sulfur dioxide or acid rain effects."

Sponsored by the Hudson River Environmental Society, "Coal and the Hudson — Issues for the '80s" at Ulster County Community College attracted close to 100 persons.

A keynote speaker, William Baker, chief of the air programs branch in Region 2 of the Environmental Protection Agency, said that Orange and Rockland Utility's Lovett plant at Stony Point "is closest to conversion of the five plants so designated in New York State." He added that Consolidated Edison's two plants at Arthur Kill and Ravenswood were second and that Niagara Mohawk's plant near Albany "may be approved with no need for EPA involvement."

Gerald Lauer, senior scientist for Ecological Analysts Inc. of Middletown, N.Y., startled many in the audience when, after a detailed discussion of the inherent problems of coal, he said, "Utilities could eliminate 90 percent of the public's concern if they'd pay attention to good housekeeping — spillage, dust and so on. That way they'd eliminate most of the complaints that arise over their operations."

Most of the speakers approached the session with a view that coal was going to return to this region during this decade. Several, such as Lauer and Jennifer Hood of the air quality unit of Charles T. Main Inc., Boston, who spoke on sonic effects of coal conversions, offered specific solutions to inherent problems.

However, Klara Sauer, executive director of Scenic Hudson Inc. of Poughkeepsie, warned that "only the tip of the iceberg is being covered here today. Without exception, coal is dirty. All the (state's) utilities, with the exception of Central Hudson Gas and Electric, have filed for conversion and all seek increases in emission rates, so there'll be a marked decline in our environment."

Sauer also noted that "10 years ago, most environmental groups did not support coal. Now they do because of economics."

Change at UMW Helm Gradually Gets Under Way

By Steve Marcy

WASHINGTON — Defeated United Mine Workers President Sam Church, Jr. reluctantly began surrendering his office to miner-turned-lawyer Richard Trumka late last week while Church's deeply divided administration agonized over a possible legal challenge to the election that, if successful, might split the union.

Church ordered the union's staff to cooperate with the forces of the 33-year-old Trumka, whose unexpectedly wide two-to-one victory margin in the Nov. 9 election surprised even his confident campaign staff. Church did so only after a majority of the 24-member International Executive Board made it clear they would order the transition if Church didn't cooperate voluntarily.

A confused Church administration, which twice scheduled and then canceled a press conference to announce their plans, was considering a formal protest to the Labor and Interior Departments following certification of the results by union tellers, scheduled for Dec. 1.

The protest under consideration would charge Trumka with fradulently certifying his elegibility to stand for office. The challenge would suggest forgery of a 1979 signature of then-president Arnold Miller attesting that Trumka met the minimum work experience in the mines required to stand for union office. The IEB accepted the signature at the time, allowing Trumka to be seated as a board member after he won election from District 4.

Part of Church's campaign staff is convinced the incumbent's stature is further reduced in the union regardless of the outcome of any challenge he might mount, sources close to the campaign staff told *Coal Industry News*.

"A Lot of Ill Will"

"People out there who voted against Sam don't harbor any tremendous ill will for Sam Church. But if he goes ahead and pulls this, there will be a lot of ill will against

(Continued on back page)

INSIDE

THE 1982 ELECTIONS could spell change in Congress — and not just because some key energy committee chairmen and members won't be back next year. S. Lawrence Paulson explains **on page 2.**

COAL EXPORT TERMINAL projects, including a new five-company consortium at Newport News, Va., are quietly progressing. Gene Smith describes what's going on in a **Focus beginning on page 5.**

TIMES MAY SEEM HARD compared to the fairly recent period of rapid growth. But it's important to consider the long term too, suggests Editorial Advisory Board Chairman John Corcoran in a **Commentary on page 10.**

FACTS & FIGURES

Domestic

	WEEKLY 11/6/82	10/30/82	11/7/81
Production			
Bituminous, recent week	15,848	15,761	18,815
Bituminous, year to date	**705,832**	**682,617**	—
Anthracite, recent week	87	87	184
Anthracite, year to date	**5,127**	**4,803**	—
Railroad carloadings			
Bituminous, recent week	108,311	107,842	131,973
Bituminous, year to date	**4,891,742**	**4,747,177**	—
Anthracite, recent week	291	320	566
Anthracite, year to date	**9,233**	**15,772**	—

Production data in thousands of short tons.
Source: U.S. Dept of Energy, Energy Information Administration—Weekly Coal Report.

	WEEKLY 11/6/82	10/30/82	11/7/81
Production by states, bituminous and lignite			
Eastern			
Alabama	512	509	567
Georgia	—	—	—
Illinois	1,179	1,173	1,352
Indiana	580	577	695
Kentucky:			
Eastern	2,067	2,076	2,543
Western	715	711	860
Total, Ky.	**2,802**	**2,787**	**3,403**
Maryland	77	77	90
Ohio	734	730	710
Pennsylvania	1,488	1,480	2,420
Tennessee	155	154	210
Virginia	754	750	1,025
West Virginia	2,474	2,460	2,840
Total, Eastern	**10,355**	**10,697**	**13,312**
Western			
Alaska	15	15	21
Arizona	213	211	252
Arkansas	4	4	6
Colorado	367	365	420
Iowa	12	12	14
Kansas	17	1728	
Missouri	97	96	119
Montana	541	538	795
New Mexico	338	336	340
North Dakota	358	356	367
Oklahoma	104	104	95
Texas	638	634	810
Utah	309	308	185
Washington	89	88	105
Wyoming	1,991	1,980	1,946
Total Western	**5,093**	**5,064**	**5,503**
Total, United States	**15,848**	**15,761**	**18,815**

In short tons (000).
Source: U.S. Dept of Energy, Energy Information administration—Weekly Coal Reports.

	MONTHLY 8/82	7/82	8/81
Coal Labor			
All employees			
Coal Mining	229.1	226.5	254.7
Bituminous & Lignite	225.7	223.2	251.1
Production employees			
Coal mining	186.4	183.1	211.1
Bituminous & Lignite	183.4	180.1	207.9
Hours, weekly average			
Coal mining	38.5	39.2	42.1
Bituminous & Lignite	38.5	39.2	42.1
Earnings, hourly average			
Coal mining	13.05	12.89	12.35
Bituminous & Lignite	13.10	12.93	12.39
Earnings, weekly average			
Coal mining	502.43	505.29	519.94
Bituminous & Lignite	504.35	506.86	521.62

Source: U.S. Dept. of Labor, Bureau of Labor Statistics—Employment and Earnings.

	MONTHLY 7/82	6/82	7/81
Bituminous and Lignite			
Consumption			
Electric power utilities	54,660	55,206	54,349
Coal user stocks of coal			
Electric power utilities	165,182	164,687	132,072
Anthracite			
Consumption			
Electric power utilities	95	108	133
Coal user stocks of coal			
Electric power utilities	5,791	5,658	5,337

Note: Data give in thousands of short tons.
Source: U.S. Dept. of Energy Information Administration—Weekly Coal Report.

	8/82	7/82	8/81
Coal User Production			
Major district users:			
Electric utilities			
(Mil Kwh.)			
Monthly	110,122	110,458	108,403

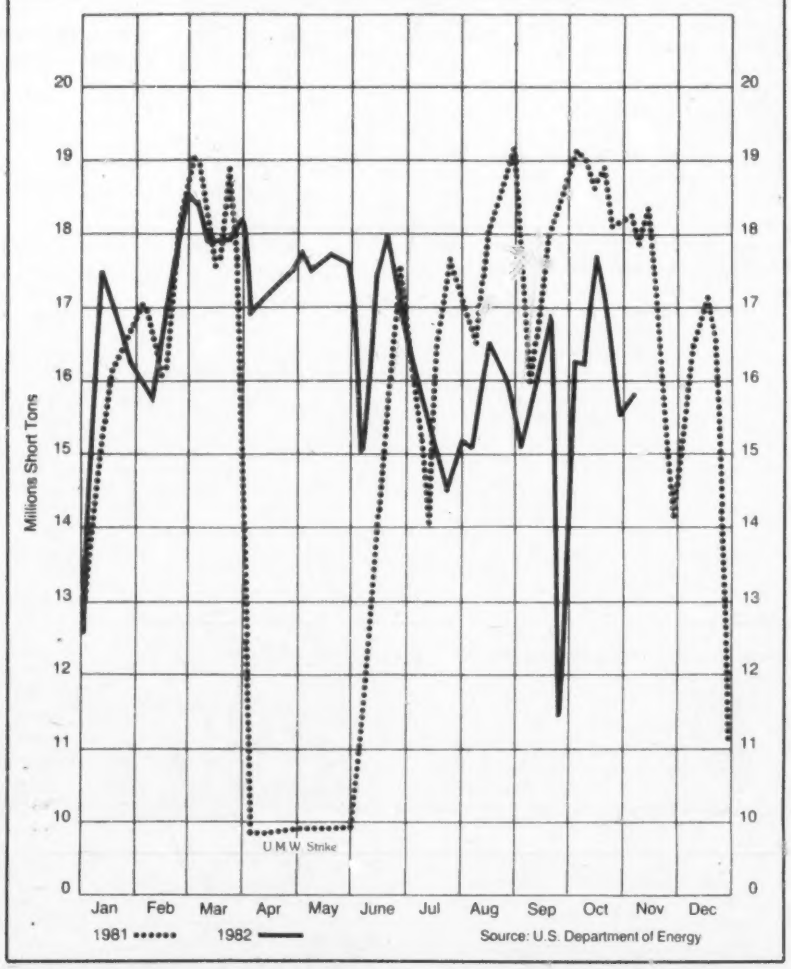
	MONTHLY 10/82	9/82	8/82
Price Indexes			
Bituminous Coal and Lignite	105.0	105.1	103.8
Primary Products	103.9	104.2	103.8
Prepared	104.6	104.7	103.4
Steam electric utilities	105.2	105.6	103.7
North Appalachia	102.3	104.2	101.5
Spot	N.A.	116.4	91.2
Contract	102.5	102.5	102.9
South Appalachia			
Contract	99.3	98.7	98.2
Midwest	109.5	109.3	108.6
Contract	110.8	110.7	109.8
West	109.1	109.0	105.1
Contract	109.1	109.0	105.1
Metallurgical/coke producer	101.9	101.8	102.6
High volatile	100.2	100.1	101.5
North Appalachia	97.2	97.2	99.7
Contract	97.2	97.2	N.A.
South Appalachia			
Contract	101.8	101.7	102.6
West	100.7	100.7	99.4
Low volatile	104.2	103.5	103.4
North Appalachia			
Contract	105.0	104.7	99.0
South Appalachia			
Contract	104.4	103.5	106.1
All other industrial	102.7	100.3	101.3
North Appalachia			
Contract	99.5	N.A.	93.9
Midwest			
Contract	107.2	106.0	103.1
Unprepared (raw)	101.8	102.6	105.2
For preparation at other establishments	N.A.	N.A.	N.A.
For use without preparation	N.A.	N.A.	N.A.
Anthracite	153.8	153.8	153.8
Primary products	152.5	152.5	152.5
Prepared anthracite shipped	154.5	154.5	154.5
Stove	151.1	151.1	151.3
Chestnut	150.9	150.9	150.9
Pea	160.3	160.3	160.3
Buckwheat no. 1	149.0	149.0	149.0
Buckwheat no. 2	160.8	160.8	160.8
Buckwheat no. 4	143.9	143.9	143.9
Buckwheat no. 5	112.0	N.A.	112.0

N.A.—Not Available

Source: Bureau of Labor Statistics, Dept. of Labor.
Note: The Bureau of Labor Statistics has recalibrated its producer price index figures for bituminous and lignite, as well as reorganizing its pricing categories. The new index is based on a compilation of average prices for December, 1981, and that month appears as 100. The former index used June, 1976 prices as its base.

LATEST U.S. PRODUCTION

Estimated Bituminous Coal and Lignite



SOFT-COAL PRODUCTION climbed 6 percent the week of Nov. 6 to 15.8 million short tons, an increase of 87,000 tons from the previous week, the Energy Department's Energy Information Administration reported. In the corresponding week of 1981, production was 18.8 million short tons. Total for the year through Nov. 6 was 705.8 million short tons, a 3.4 percent increase for the same period in 1981.

Exports & Imports

	Quantity in short tons 9/82	8/82	9/81	Dollar Value 9/82	8/82	9/81	Avg. Value per short ton 9/82	8/82	9/81
Bituminous coal, low volatile blends to make coke No. 5213110									
Belgium	347,744	426,826	520,349	16,598,634	24,524,221	31,876,057	47.73	57.48	61.14
Brazil	266,793	460,590	223,739	10,818,698	21,241,697	163,860	40.55	46.05	62.85
Canada	376,596	301,872	696,212	25,168,629	20,010,990	42,421,693	66.83	66.28	60.93
France	377,487	110,834	364,763	18,406,512	7,046,840	24,151,308	48.76	63.58	62.77
Germany, F.R. (West)	205,481	22	293,212	10,549,589	1,200	16,841,182	51.34	54.54	57.44
Italy	526,782	499,224	518,239	24,667,919	23,519,483	28,547,041	46.82	47.11	55.06
Japan	1,119,332	1,546,292	2,277,407	63,108,821	91,817,191	137,029,709	56.38	59.37	60.17
Netherlands	329,839	147,331	138,214	17,817,446	8,762,671	7,894,456	54.01	59.47	57.12
Spain	221,333	411,103	331,942	10,409,558	18,853,902	19,129,968	47.03	127.96	57.63
Sweden	154,817	134,303	286,735	8,015,507	8,283,171	16,364,500	51.77	61.67	57.07
United Kingdom	158,090	213,012	—	8,437,668	13,569,625	—	53.37	63.70	—
Yugoslavia	66,087	49,252	189,078	4,274,059	2,600,908	10,453,735	64.67	52.80	55.29
Total, above	4,150,381	4,300,461	6,178,334	218,273,040	216,710,018	366,543,537	52.59	50.39	59.33
Total, other nations	828,782	292,499	573,734	46,500,347	39,085,537	33,493,131	56.10	133.62	58.38
Total, all nations	**4,979,163**	**4,592,960**	**6,752,068**	**264,773,387**	**255,795,555**	**400,036,668**	**53.17**	**55.69**	**59.25**
Bituminous coal, others No. 5213120									
Belgium	120,903	46,742	—	4,307,909	1,827,469	—	35.63	39.09	—
Canada	1,477,985	1,206,065	1,542,450	74,253,778	60,658,124	73,391,622	50.23	50.29	47.58
China, Taiwan	314,710	65,438	299,261	14,181,657	2,690,412	12,400,219	45.06	22.30	41.44
Denmark	461,905	125,983	369,687	21,283,084	6,275,563	15,736,966	46.07	49.81	42.57
Finland	32,270	106,445	220,369	1,463,777	4,995,302	10,240,682	45.36	46.92	46.47
France	211,857	461,452	305,198	9,480,662	21,291,329	14,051,274	44.75	46.13	46.04
Germany, F.R. (West)	125,447	95,199	291,961	5,442,510	5,910,319	14,557,644	51.35	62.08	49.86
Italy	360,550	164,506	422,062	18,285,671	9,545,807	20,590,324	50.71	58.02	46.58
Japan	191,139	178,959	413,521	9,325,092	9,476,954	20,637,689	48.78	52.95	49.91
Netherlands	350,589	423,425	237,733	18,722,147	20,833,595	10,072,791	53.40	49.20	46.16
Spain	324,416	200,817	253,817	16,348,805	9,411,329	12,042,260	50.39	46.86	47.44
Total, above	3,971,771	3,075,031	4,643,575	184,770,009	152,916,203	217,028,072	46.52	49.72	46.74
Total, other nations	554,581	182,917	193,150	22,099,958	10,045,818	10,274,092	39.84	54.92	53.19
Total, all nations	**4,256,352**	**3,257,948**	**4,836,725**	**206,869,967**	**162,962,021**	**227,302,164**	**48.60**	**50.01**	**47.00**
Lignite No. 5213130									
Total, all nations	**2,936**	**5,313**	**3,701**	**255,828**	**316,275**	**1,011,007**	**87.13**	**59.52**	**273.17**
Coal coke for use as fuel No. 5213148									
Total, all nations	**129,279**	**55,023**	**86,830**	**5,396,796**	**4,995,532**	**5,508,375**	**41.74**	**90.78**	**63.44**
Petroleum coke, except calcined No. 5213150									
Canada	53,961	2,868	—	2,999,804	106,787	—	55.59	36.97	—
Japan	238,930	288,270	171,894	10,118,068	13,839,833	9,263,055	42.34	48.00	53.89
Netherlands	179,257	97,442	—	10,006,907	5,321,550	—	55.82	54.61	—
Total, above	472,148	388,600	278,679	23,124,779	19,268,170	16,327,692	48.97	49.58	58.59
Total, other nations	316,913	343,899	243,550	7,995,493	12,687,952	11,840,702	25.22	36.89	48.62
Total, all nations	**780,061**	**732,499**	**522,229**	**31,120,272**	**31,956,122**	**28,168,394**	**39.43**	**43.62**	**53.94**
Compositions for fuel No. 5213160									
Total, all nations	**55,610**	**813**	**11,258**	**2,712,843**	**85,524**	**653,924**	**48.78**	**105.19**	**58.09**
Anthracite No. 5213170									
Korea Rep. (South)	33,069	72,788	133,105	1,080,000	2,327,537	4,504,668	32.65	31.97	33.84
Total, all nations	**77,141**	**86,339**	**307,075**	**4,337,557**	**3,485,349**	**13,518,374**	**56.09**	**40.36**	**44.02**

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Focus on COAL PREPARATION Begins on Page 4

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NEWS ROUNDUP

The Interior Department's plan to merge the Bureau of Land Management into the new Minerals Management Service by June 1 **could place officials more favorably disposed toward expanded federal leasing** in the 13 state BLM directors' slots. David Houston, deputy assistant Interior secretary for energy and minerals, told reporters BLM Director Robert Burford, a mining engineer, would decide in which states the MMS personnel will top the hierarchy in the newly merged agencies and in which ones BLM personnel remain in control. MMS Deputy Director David Russell added that **MMS will bring a multiple use attitude to BLM,** which he said has previously listed too much toward conservation.

* * *

Poland expects 1982 production to reach 190 million metric tons, the country's official news agency disclosed, adding that exports should hit approximately 30 million metric tons in the same period. It said that most of the export increase — nearly double 1981 levels — are to hard currency countries, suggesting a return to difficult, but tradiional, markets that the Eastern European nation lost due to domestic anti-export moves and competition from the West.

* * *

Eastern Gas and Fuel Associates expects 1982 earnings to top last year's record due to **"significant" increases in coal production and productivity.** President William J. Pruyn told New York analysts that EG&F's increased coal productivity, which is expected to lift that sector's pre-tax earnings from 1981's $28 million to nearly $50 million this year, is due to more longwall mining and "labor peace."

(Continued on page 2)

INSIDE

COAL PREPARATION activity abounds, with much of it centered around chemical innovations and improved traditional techniques. Gene Smith takes a closer look as part of a **Focus on pages 4 and 5.**

PACIFIC RIM DEMAND could increase pressure on California ports and railroads, forecasts a newly released study by that state's energy commission. **Commentary on Coal on page 6.**

THE UMW'S NEW PRESIDENT is taking the helm with a mixture of tough talk and conciliatory signals. Steve Marcy examines Rich Trumka's emerging strategy in the latest **Washington, FYI on the back page.**

As Key Sponsors Depart 2 Coal Projects

Synfuels Corp. Feels the Heat of Criticism

By Marcy Gordon

WASHINGTON — The $15 billion Synthetic Fuels Corp., once the adored child born during a time of short energy supplies, looks more and more these days like a battered street urchin.

Some of the corporation's supporters in Congress, like Senate Budget Committee Chairman Pete V. Domenici, R-N.M., have criticized its tardiness in making financial awards — and warned that its funding could be cut by hostile legislators if it does not move faster.

And, on the other side, the synfuels entity is coming under increasing attack by opponents who accuse it of desperately trying to invent ways to spend its money as the private sector's interest in synthetic fuels continues to wane.

The SFC board's recent announcement that it will sign non-binding "letters of intent" for assistance with the sponsors of three relatively small synfuels projects, the critics say, is just that sort of frantic effort. The three projects — involving peat-to-methanol conversion, tar sands and heavy oil — are expected to receive up to $550.5 million in loan guarantees, price guarantees and other aid from the corporation in the coming months.

But larger coal conversion projects competing for corporation aid have been plagued with difficulties.

Ashland Leaves H-Coal

The Breckinridge H-Coal liquefaction project, which had widely been considered the most viable proposal in the U.S. synfuels arena, was recently abandoned by its major sponsor, Ashland Oil Inc. The more than $3 billion project was dropped from the SFC's first solicitation by the seven-member board at its Dec. 2 meeting.

That left as the sole first-round contender for federal aid the Hampshire Energy coal-to-gasoline conversion venture planned for Gillette, Wyo. — which recently lost one of its five partners, Standard Oil Co. of Ohio. Hampshire was given a reprieve by the synfuels directors: They extended to next April the deadline for its sponsors to show that they have sufficient equity backing and technical capability for the project.

Efforts have reportedly been under way to resuscitate the 25,000-barrel per day Breckinridge project. Potential new sponsors — including Japanese and West German investors — are waiting to "let the dust settle a bit" before deciding whether to get involved, according to an informed obser-

(Continued on back page)

Conoco Opens its New Coal Research Facility

WITH THE POSSIBILITY of becoming one of the most comprehensive centers of its kind, Conoco Inc.'s coal research division has dedicated its new coal technology center at 4000 Brownsville Road in Library, Pa., 12 miles south of Pittsburgh. Including a combustion research facility, beneficiation laboratory and analytical facilities, the $10 million complex will focus on Conoco subsidiary Consolidation Coal Co. and its customers to maximize and optimize coal use, officials said.

Watt Reverses Predecessors' Position, Bans Future Federal Coal Leases to Rail Affiliates

WASHINGTON — Interior Secretary James Watt has banned the future leasing of federal coal by corporate affiliates of railroads, reversing the position of his predecessors and puzzling observers on Capitol Hill.

The reversal reconciles a long-standing difference between Interior and the antitrust division of the Justice Department. What's puzzling is Interior's support for repeal of 2(c), long bottled up in the Senate Energy Committee, which the announcement seemingly repudiates.

"Maybe it's an early Christmas present to the National Coal Association," quipped one Capitol Hill observer. He doubts, but doesn't rule out, the decision is a ploy to heat up the debate and force a vote on the issue; the timing — the end of a congressional session — is wrong. Interior Solicitor William Coldiron traveled last week to Lexington, Ky., where he explained the ban in advance to the NCA board.

Section 2(c) of the Minerals Leasing Act prohibits railroads from holding leases to federal coal, except where railroads needed it "for their own purposes" — meaning steam locomotives. — **Steve Marcy**

Western Governors Pleased Following Meeting with Watt

By Arnold Irvine

SALT LAKE CITY — Western governors went into their meeting with Interior Secretary James Watt last month in Denver asking a bigger voice in the federal coal leasing process in their states. They got what they wanted when Watt agreed to the changes they proposed, according to Utah Gov. Scott Matheson, chairman of the National Governors Association.

"All of the western coal state governors were there," Matheson told *Coal Industry News*. "In his (Watt's) view, the agreement was merely a clarification of the leasing guidelines. It was an amicable meeting; a basic, sound process. I thought the meeting was eminently successful."

He noted that the governors have been pressing for alteration of the leasing process since the beginning of the year. They had drawn up a list of 15 changes they wanted. Individually, they expressed their feelings in letters to and talks with Watt.

"But individually, we had not brought our message home as forcefully as we needed to do. We asked for a meeting," Matheson recalled.

Watt agreed to meet with them when they gathered in Denver on other matters. "We felt sufficiently strong about this matter that we stayed an extra day to meet with the secretary. We consdered it a real test of our relationship with the secretary," Matheson said of the three-hour session.

He said that the governors were preapred to go all out to secure the adoption of their proposals. Had Watt turned them down, they were ready to seek a meeting with

(Continued on page 2)

NOTICE: Beginning with its Jan. 17, 1983, issue, Coal Industry News will raise its circulation base from 10,000 to 13,000. The higher circulation will come without an increase in advertising rates, according to Publisher DeVan L. Shumway. This will result in a $95 cost per thousand for advertisers, he said.